



# Honey Recourse Loan Program

**Loan Availability Date**

Eligible producers may obtain honey recourse loans by requesting loans on or before March 31, 2001.

**Program Availability**

The Honey Recourse Loan Program authorizes the Commodity Credit Corporation (CCC) to make available to producers 9-month recourse loans on 1999-crop honey.

**Authorization**

This program is authorized by the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2000 (2000 Act).

**Loan Rate and Conditions**

This program applies only to 1999-crop honey and provides a national average loan rate of 59 cents per pound. The loan rate is calculated by a formula provided by the 2000 Act.

**Maturity Date**

Loans mature on demand, but no later than the last day of the 9th month following the month in which the note and security agreement were approved.

**Producer Eligibility**

An eligible producer is a person who:

- Produced honey in the United States during the calendar year for which the loan is requested, and extracted honey on or before December 31, 1999;
- Has a continuous beneficial interest in the honey through date of repayment of the loan; and
- Is responsible for the financial risk of keeping the bees and producing the honey.

**Eligible Honey**

To be eligible for a loan, the honey must:

- Have been produced by an eligible producer;
- Have been produced and extracted in the United States during the 1999 calendar year;
- Be of merchantable quality deemed by CCC to be suitable for loan; and
- Be stored in acceptable containers.

**Where to Request Loans**

If the honey is stored on the producer's farm, apply at the FSA county office serving the area. If the honey is stored at a location other than producer's farm, the producer may apply either: (1) at the county office serving the storage location, or (2) at the office serving the area in which the producer's main business is located.

**Other Program Provisions**

- A loan service fee is collected at time of loan disbursement.
- Interest is charged at a rate 1 percentage point higher than the CCC borrowing interest rate.
- Honey pledged as collateral for a loan must be from eligible floral sources and must be in containers that meet the type, size, cleanliness, strength, damage, and fill requirements defined by regulations published by CCC in the Federal Register.
- Pre-loan inspections are required to ensure that honey inventory exists in approved storage containers and is of approximate certified weight.
- If a loan is not repaid, CCC will conduct a local sale of the honey used as loan collateral. If the sales proceeds do not equal or exceed the amount owed by the producer, a claim for this difference will be established against the producer.

Other conditions apply. For further information, contact local FSA offices or USDA Service Centers.

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